

BINANI INDUSTRIES LIMITED

Registered Office: 706, Om Tower, 32, Chowringhee Road, Kolkata 700 071

Corporate Office: Mercantile Chambers, 12 J.N.Heredia Marg, Ballard Estate, Mumbai 400 001

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2006

Particulars	Rs. Lakhs				
	Quarter ended 30.09.2006	Quarter ended 30.09.2005	Half Year ended 30.09.2006	Half Year ended 30.09.2005	Year ended 31.03.2006 (Audited)
1 Gross Sales	18	2	22	21	47
Less Excise Duty on sales	4	1	5	1	5
Net Sales	14	1	17	20	42
2 Dividend and Interest Income	1010	1	1011	2	2
3 Other Income	124	3	206	6	117
4 Expenditure					
a) (Increase)/decrease in stock in trade	-	1	-	3	95
b) Consumption of raw materials etc.	-	-	-	17	19
c) Staff Cost	20	7	34	12	31
d) Other manufacturing expenses	-	6	-	8	12
e) Other expenditure	34	53	87	86	136
Total Expenditure	54	67	121	126	293
5 Operating Profit/(Loss) before Interest and Depreciation (1+2+3-4)	1094	(62)	1113	(98)	(132)
6 Interest & Financial charges	286	312	714	925	1847
7 Gross Profit/(Loss) after interest but before Depreciation & Taxation (5-6)	808	(374)	399	(1023)	(1979)
8 Depreciation	20	27	43	54	106
9 Profit / (Loss) before extra ordinary items & tax(7-8)	788	(401)	356	(1077)	(2085)
10 Extra Ordinary Items					
a) FITL/ Interest for earlier years written back	-	827	1,222	827	1,107
b) Profit on sale of Investment in Equity shares in Subsidiary	11,043	-	11,043	-	3,510
c) Assets Written off on Impairment	-	-	-	-	(389)
d) Advances to subsidiary written off	-	-	-	-	(276)
e) Investment in Subsidiaries written off	(8,432)	-	(8,432)	-	(320)
11 Net Profit / (Loss) after extra ordinary items but before tax (9+10)	3,399	426	4,189	(250)	1,547
12 Provision for Taxation					
a) Current Tax (MAT)	-	-	-	-	61
b) Fringe Benefit Tax	-	1	1	1	1
13 Net Profit / (Loss) after tax (11-12)	3399	425	4188	(251)	1485
14 Paid up Equity Share Capital (Face Value per share Rs.10/-)	2962	2962	2962	2962	2,962
15 Reserves (excluding Revaluation Reserves)					19660
16 <u>Earnings per share</u>					
-Basic (not annualised)(Rs.)	11.49	1.44	14.15	(0.85)	5.02
-Diluted (not annualised)(Rs.)	11.49	1.44	14.15	(0.85)	5.02
17 Aggregate of non-promoters shareholding					
Number of shares	17393546	18484836	17393546	18484836	17393546
Percentage of shareholding	58.77%	62.45%	58.77%	62.45%	58.77%

Notes:

- During the quarter, the company's equity shares have been listed on National Stock Exchange.
- Unaudited Financial Results of the subsidiaries for the half year ended 30th September 2006 are as follows :-

Profit before Tax (Rs.Lakhs)

Binani Cement Ltd. (BCL)	7750
Binani Zinc Ltd (BZL)	1534
Goa Glass Fibre Ltd. (GGFL)	94
Ess Vee Alloys Pvt. Ltd.	19

The implementation of the expansion project of BCL from 2.25 Million Tonne per annum to 5.30 Million Tonne per annum with Captive Power Plant is progressing as per schedule and well within the overall cost estimate. NCD's of Rs.7000 Lakhs of BCL privately placed with UTI Bank Ltd. have been listed on BSE.

During the quarter, BZL has repaid all the dues of IDBI Ltd. through one time settlement and also the entire working capital loan from Banks. BZL has entered into a joint venture agreement with Mazak International Ltd. for production and marketing of Zinc Alloys through a separate company. For this purpose the name of Opticon Consultants Pvt. Ltd., a wholly owned subsidiary of BZL has been changed to Binani Mazak Pvt. Ltd. with effect from 10th October, 2006. R.B.G. Minerals Industries Ltd., a wholly owned subsidiary of BZL, is in an advanced stage of receiving requisite mining leases.

GGFL is exploring possibilities of inducting strategic partners to bring in new technologies to further its business interests.

B T Composites Ltd. (BTCL) a wholly owned subsidiary of the company has net loss of Rs.91 Lakhs before extra ordinary income during the half year ended 30th September, 2006. BTCL has an extra ordinary income of Rs.866 Lakhs arose out of remission of dues to Stressed Assets Stabilization Fund (SASF) on one time settlement.

- 3 The Company has an investment of Rs. 979 lakhs in the Equity Shares and Preference Shares in and has given advances of Rs. 1358 lakhs to BTCL, a wholly owned subsidiary of the Company, which has accumulated losses of Rs. 1546 lakhs as on 30.09.2006. BTCL is registered with BIFR as a sick company and the proposal for the rehabilitation scheme is under preparation for submission with BIFR. With one time settlement of dues of SASF, BTCL doesn't have any term debt other than from the company. During the quarter, Moulding Press and other equipments of the company have been sold to BTCL (at book value) to enable them to have synergy of operations. Since BTCL is exploring possibilities of inducting strategic partner to bring in new technologies to have wider product range and better marketability, future performance is expected to improve.
In view of the above factors and having regard to the long term nature of the investment, management is of the view that there is no diminution in value of investments, which is other than temporary. Hence the Investment is stated at cost.
- 4 During the current quarter, the Company has received arrears of Dividend on 12% Cumulative Redeemable Preference Shares for the period from 28th October, 1998 to 30th August, 1999 of Rs. 1006 lakhs from BCL.
- 5 In view of the Company's appeals pending before the Hon'ble High Court at Calcutta, against the demand of Rs. 135 lakhs being interest under section 234B & 234C of the Income Tax Act, 1961 on Minimum Alternate Tax, no provision has been made in the books of accounts.
- 6 During the current quarter, the company has sold 20,500,000 Equity Shares of BCL (10.09% of the paid up share capital of BCL) to Ganesh Prime Holding (Mauritius) Ltd. Profit on sale of these investments amounting to Rs. 11043 lakhs has been credited to Profit & Loss Account.
- 7 The Company has written off Rs. 8432 lakhs being the difference between the carrying cost of investment in Equity Shares of BCL and face value of shares held arose out of cancellation of Equity Shares by BCL in earlier year.
- 8 Provision for Tax and deferred tax liability, if any, will be made at the year end.
- 9 The debit balance of Profit & Loss Account of Rs. 7828 lakhs as on 31.03.2006 has not been considered for adjustment against the Reserves of Rs. 19660 lakhs as on that date since the same are not free reserves.
- 10 Since the Company is holding company and have other operations (upto 17th September, 2006) which are insignificant, Segmental disclosure as per AS-17 of the Institute of Chartered Accountants of India is not applicable.
- 11 JP Morgan Special Situations (Mauritius) Limited (formerly Silver Peak Investments (Mauritius)Limited) a shareholder of BCL, has proposed an offer for sale of upto 10.10% of the paid up Equity Share Capital of BCL, out of their existing shareholding in BCL, through 100% book building process to facilitate listing of Equity Shares of BCL.
- 12 The above results have been reviewed by the Audit Committee at their meeting held on 26th October, 2006 and were taken on record and approved by the Board of Directors at its meeting held on 27th October, 2006.
- 13 The statutory auditors have conducted limited review of the above results as required by clause 41 of the listing agreement.
- 14 Figures of the previous period have been regrouped/recast as necessary.
- 15 Intime Spectrum Registry Limited (Intime) was appointed as Share Registrars and Transfer Agents of the company in place of MCS Ltd. Their address and contact Nos. are as follows: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078. Tel No. 022-25963838, fax No. 022-25946969. All requests for transfer /transmission/demat etc. may please be forwarded to the above Registrar.
- 16 There were 22 investor complaints pending at the beginning of the quarter and during the quarter, the Company received 252 complaints from investors, out of which 242 complaints were disposed off, leaving 32 complaints unresolved at the end of the quarter. This is mainly due to transfer of data & records arising out of shifting of office of Share Transfer Agents. The pending complaints are expected to be resolved by mid November'06.

By order of the Board
For **BINANI INDUSTRIES LIMITED**

BRAJ BINANI
CHAIRMAN

Place : Mumbai
Date : 27th October, 2006